

[Note: The forms below have been revised effective for the 1999-2001 bienium bargains. The WERC order revising these forms and the related rules is set forth at the end of this file.]

EMPLOYMENT RELATIONS COMMISSION

CHAPTER ERC 33 APPENDIX

WISCONSIN EMPLOYMENT RELATIONS COMMISSION MINIMUM QUALIFIED ECONOMIC OFFER CALCULATION

Note: 1993 Wis. Act 16 required the Wisconsin employment relations commission to create forms by which the components of a minimum qualified economic offer could be established and measured. Act 16 does not allow the cost of a qualified economic offer to be based upon the actual cost of such an offer to the employees actually employed during the term of the contract. Instead, the Act requires that the cost of the offer be evaluated by assuming a fixed employee complement is present during the term of the contract.

FORM A

This form and Form B must be provided by the district to the labor organization 60 days prior to contract expiration, or whenever a qualified economic offer is made, whichever is earlier.

Note: If the base year salary and fringe benefit costs cannot be established because the parties have not reached voluntary agreement for the period prior to July 1, 1993, or have not submitted single ultimate final offers for the period prior to July 1, 1993, then Forms A and B must be provided to the labor organization within 60 days of the voluntary agreement or the commission's certification of results of investigation. If the parties have submitted single ultimate final offers, Forms A and B shall be completed for each offer.

DEVELOPING A MINIMUM QUALIFIED ECONOMIC OFFER

Developing Employee Base

1. If you are bargaining a contract with a term commencing July 1, 1993 or after, identify all professional school district employees (as defined by Sec. 111.70 (1) (nc), Stats.) who were represented by the labor organization for the purposes of collective bargaining and contract administration on the 90th day prior to the expiration of the current/most recently expired bargaining agreement. Professional school district employees who were employed on the 90th day but who thereafter retire, resign or are terminated prior to the expiration of the current/most recently expired contract are included. Professional school district employees on layoff, sick leave or leave of absence must be included if they continue to be represented by the labor organization for the purposes of collective bargaining and contract administration. Professional school district employees who are replacing employees who are in leave status are not included unless they are represented by the labor organization for the purposes of collective bargaining and contract administration in the same bargaining unit as the

employee being replaced. If you are bargaining a contract with a term commencing anytime from July 1, 1992 through June 30, 1993, use April 2, 1993, as your identification date.

Developing Fringe Base

2. If you are bargaining a contract with a term commencing July 1, 1993 or after, identify all fringe benefits and your percentage contribution toward the cost thereof as such benefits and contributions existed on the 90th day prior to the expiration of the current/most recently expired agreement, or the 90th day prior to the date on which your negotiations actually commenced if there is no previous collective bargaining agreement between the parties. If your fringe benefit contribution level is expressed as a dollar amount, convert the dollar amount to a percentage for the purposes of this calculation. If you are bargaining a contract with a term commencing anytime from July 1, 1992 through June 30, 1993, use April 2, 1993, as your identification date.

Total Base Cost Calculation

3. If you are bargaining a contract with a term commencing July 1, 1993, or after, using the employees identified in Step 1 and the fringe benefits and employer percentage contribution levels identified in Step 2, complete Form B to calculate the employer cost of compensation and fringe benefits for the year preceding the expiration date specified in your current/most recently expired contract. For the purposes of this calculation, assume that any cost increase incurred during the year was in effect for the entire year. In your calculation, you must include the cost of any benefits Step 1 employees who retire will receive/received prior to the expiration of your current/most recently expired contract. Do not include the cost of providing benefits to employees who retired before the 90th day prior to the expiration of the current/most recently-expired contract. If you are bargaining a contract with a term commencing anytime from July 1, 1992, through June 30, 1993, perform the calculation for the year preceding July 1, 1993. **Enter the total base year salary and fringe benefit costs from Form B here.**

Salary _____
 Fringe _____
 Total _____

QEO 1 Dollar Amounts

4. Calculate 3.8%, 2.1% and 1.7% your step 3 total and enter here
 3.8% = _____ 2.1% = _____ 1.7% = _____

For the purposes of the following calculations, do not assume any change in: (1) the identity of step 1 employees; (2) the level of service they provide to the district or (3) the fringe benefits step 1 employees received or the applicable employer % contribution level. *Do* assume that any cost increase incurred during the year was in effect for the entire year.

QEO 1 Fringe Benefit Calculation

5. Using the same employees identified in Step 1 and the fringe benefits and employer percentage contribution levels identified in Step 2, calculate the actual employer cost of maintaining the fringe benefits and employer percentage contribution levels for the first 12-month period following the stated expiration date in the current/most recently expired contract. If your contract will have a duration of less than 12 months, prorate your cost calculation to reflect your actual contract duration, if appropriate. **Enter this cost here and on Form B, QEO 1, fringe benefit cost.** _____.

6. Subtract your Step 3 base fringe benefit cost from your Step 5 cost and calculate the result as a percentage of your total Step 3 base year cost. **Enter the result here and on Form B, QEO 1, fringe benefit percentage.** _____.

QEO 1 Step Calculation

7. For the first 12-month period following the stated expiration date in the current/most recently expired contract, calculate the total additional cost of providing each employee identified in Step 1 with any salary increase to which they would be entitled by virtue of an additional year of service on the salary schedule (longevity is to be included if part of salary schedule). **Enter this cost here and on Form B, QEO 1, steps** _____.

8. Calculate your Step 7 cost as a percentage of the total Step 3 base year cost. **Enter the result here.** _____.

QEO 1 Promotion/Lane Calculation

9. Calculate any increase in salary received by Step 1 employees due to promotions or additional professional qualifications during the year preceding the stated expiration date of the current/most recently expired contract. **Enter this cost here and on Form B, QEO 1, lanes/promotions.** _____.

10. Calculate your Step 9 cost as a percentage of your total Step 3 base year cost. **Enter the result here.** _____.

End of first year QEO calculation

If you are bargaining a contract with a duration of 12 months or less, stop and proceed to the Qualified Economic Offer Instruction, Form C.

Start of second year QEO calculation

Total QEO 1 Base Cost Calculation

11. Repeat Step 3 for the first 12-month period following the stated expiration date of your current/most recently-expired contract. **Enter the total QEO 1 salary and fringe benefit costs from Form B here.**

Salary _____
 Fringe _____
 Total _____

QEO 2 Dollar Amounts

12. Calculate 3.8%, 2.1% and 1.7% of your Step 11 total and enter here:

3.8% = _____ 2.1% = _____ 1.7% = _____

QEO 2 Fringe Benefit Calculation

If your contract will have a duration of less than 24 months, prorate your QEO 2 cost calculation to reflect your actual contract duration, if appropriate.

13. Repeat Step 5 for the second 12-month period following the stated expiration date in the current/most recently-expired contract. **Enter this cost here and on Form B, QEO 2, fringe benefit cost.** _____.

14. Subtract your Step 5 fringe benefit cost from your Step 13 cost and calculate the result as a percentage of your Step 11 total QEO 1 cost. **Enter the result here and on QEO 2, Form B, fringe benefit percentage.** _____.

QEO 2 Step Calculation

15. Repeat Step 7 step calculation for the second 12-month period following the stated expiration date in the current/most recently-expired contract. **Enter the cost here and on Form B, QEO 2, steps** _____.

16. Calculate your Step 15 cost as a percentage of your Step 11 total QEO 1 cost. **Enter the result here** _____.

QEO 2 Promotion/Lane Calculation

17. Repeat the amount calculated in Step 9 lane for the second 12-month period following the stated expiration date in the current/most recently-expired contract. **Enter this cost here and on Form B, QEO 2, Lanes/Promotions** _____.

18. Calculate your Step 17 cost as a percentage of your Step 11 total QEO 1 cost. **Enter the result here** _____.

Proceed to the qualified economic offer instruction form C.

WISCONSIN EMPLOYMENT RELATIONS COMMISSION

FORM B

This Form and Form A must be provided by the district to the labor organization 60 days prior to contract expiration, or whenever a qualified economic offer is made, whichever is earlier. 1/

<u>SALARY</u>	<u>Base Year</u>	<u>QEO1 2/</u>	<u>QEO2 2/</u>
Salary Scheduled (For the base year, include base year step costs but don't include new lane costs incurred during the base year)	_____	_____ 3/	_____ 4/
Additional QEO Salary Schedule Cost	xxxxxx	_____	_____
Additional Step Advancement	xxxxxx	_____	_____
Additional Lane Advancement/Promotions	_____	_____	_____
Salary Subtotal	_____	_____	_____
Longevity (include here if not on salary schedule)	_____	_____	_____
Extended Contracts	_____	_____	_____
Co-Curricular Pay	_____	_____	_____
Extra Duty Pay	_____	_____	_____
Athletic Events	_____	_____	_____
Department Head	_____	_____	_____
Curricular Work	_____	_____	_____
Overload Pay	_____	_____	_____
M-Team	_____	_____	_____
IEP	_____	_____	_____
Supervision	_____	_____	_____
Other	_____	_____	_____
Total Extra Duty Pay	_____	_____	_____

Summer School	_____	_____	_____
Severance Pay	_____	_____	_____
Sick Leave Payout	_____	_____	_____
Other	_____	_____	_____

Total Salary Cost	_____	_____	_____
	<u>Base</u>	<u>QEO1</u>	<u>QEO2</u>
	<u>Year</u>		

Fringe Benefit Costs

Credit Reimbursement 5/	_____	_____	_____
Social Security	_____	_____	_____
Retirement	_____	_____	_____
Health Insurance			
No. S _____ No. F _____	_____	_____	_____
Employer % Contribution			
Level S _____ F _____	_____	_____	_____
Dental Insurance			
No. S _____ No. _____	_____	_____	_____
Employer % Contribution			
Level S _____ F _____	_____	_____	_____
Vision Insurance			
No. S _____ No. F _____	_____	_____	_____
Employer % Contribution			
Level S _____ F _____	_____	_____	_____
Life Insurance			
Employer % Contribution			
Level _____	_____	_____	_____
Disability Insurance			
Employer % Contribution			
Level _____	_____	_____	_____
Long-Term Care Insurance			
Employer % Contribution			
Level _____	_____	_____	_____
Other	_____	_____	_____

Total Fringe Benefit Cost	_____	_____	_____
Total Salary and Fringe Benefit Cost	_____	_____	_____

**QEO1 Increased/decreased salary cost
as a percentage of base year total
salary and fringe benefit cost**

QEO1 Increased/decreased fringe benefit cost as a percentage of base year total salary and fringe benefit cost

QEO2 Increased/decreased salary cost as a percentage of QEO1 total salary and fringe benefit cost

QEO2 Increased/decreased fringe benefit cost as a percentage of QEO1 total salary and fringe benefit cost

Attach a chart identifying the number of base year employees at each step and lane on any existing salary schedule.

We swear that we completed this form in as accurate a manner as possible.

Superintendent/
Business Manager

Date

Treasurer

Date

ENDNOTES

1/ If the base year salary and fringe benefit costs cannot be established because the parties have not reached voluntary agreement for the period prior to July 1, 1993, or have not submitted single ultimate final offers for the period prior to July 1, 1993, then Forms A and B must be provided to the labor organization within 60 days of the voluntary agreement or the commission's certification of results of investigation. If the parties have submitted single ultimate final offers, Forms A and B shall be completed for each offer.

2/ The QEO1 and 2 salary costs will remain the same as the base year costs for lane advancement/promotions, longevity (if not a step), extended contracts, co-curricular pay, extra duty pay, summer school, severance pay, sick leave payout, etc. unless the rate of compensation increases due to an increase in the salary schedule or an additional year of service entitles base year employee(s) to additional compensation.

3/ Enter base year salary subtotal.

4/ Enter QEO1 salary subtotal.

5/ The QEO1 and QEO2 credit reimbursement costs will remain the same as the base year costs unless the rate of reimbursement increases due to an increase in the salary schedule.

**WISCONSIN EMPLOYMENT RELATIONS COMMISSION
QUALIFIED ECONOMIC OFFER INSTRUCTIONS**

FORM C

Utilize the following instructions to determine the components of a minimum qualified economic offer. 1/

Note: If payment of any appropriate salary increase would raise your fringe benefit costs (due to resultant social security and retirement cost increases) above 1.7% of the step 3 (base cost), then reduce the salary increase in the amount necessary to keep the combined cost of fringe benefits, steps, lanes/promotions, and average salary increase at 3.8% of the step 3 (base cost).

When calculating any appropriate salary increase or decrease, include any increased or decreased salary cost in extended contracts, co-curricular pay, extra duty pay, etc., which is produced by salary schedule increases or decreases or payment of steps or lanes.

1. Complete Forms A and B.

2. Using the information on Form A, determine how the law requires you to proceed by identifying the cost combination which applies to the first 12-month period of your offer. If your contract has a duration of less than 12 months, you may need to prorate any salary increases or decreases.

A. If the cost identified by Step 6 (fringe benefits) is 1.7% or less than Step 3 (base cost) and the cost identified by Steps 8 (steps) and 10 (promotions/lanes) are less than 2.1% of Step 3 (base cost), you must do the following for all employees who are actually represented by the labor organization for the purposes of collective bargaining and contract administration.

1. Maintain all fringe benefits identified on Form B and the district's percentage contribution toward the cost thereof.

2. Pay all eligible employees any salary increase to which they are entitled by virtue of an additional year of service on the salary schedule. Include longevity payments if they are part of the salary schedule.

3. Pay all eligible employees any salary increase to which they are entitled by virtue of a promotion or additional professional qualifications.

4. Pay an average salary increase to all employees in an amount determined by the difference between 2.1% of Step 3 (base cost) and the combined cost of Steps 8 (steps) and 10 (promotions/lanes) and in a manner which does not alter the relationship between steps and lanes in your existing salary structure. The options available for distribution of the general salary increase are a uniform dollar amount increase on each salary cell; or a uniform % increase to

each salary cell; or an increase in the base which increases each cell in accordance with the existing salary structure. Use the option which does not alter your existing salary structure as reflected by the existing relationship between steps and lanes.

B. If the cost identified by Step 6 (fringe benefits) is more than 1.7% of the Step 3 (base cost) but the combined cost identified by Steps 6 (fringe benefits), 8 (steps) and 10 (promotions/lanes) is less than 3.8% of the Step 3 (base cost), you must do the following for all employees who are actually represented by the labor organization for the purposes of collective bargaining and contract administration.

1. Maintain all fringe benefits identified on Form B and the district's percentage contribution toward the cost thereof.

2. Pay all eligible employees any salary increase to which they are entitled by virtue of an additional year of service on the salary schedule. Include longevity payments if they are part of the salary schedule.

3. Pay all eligible employees any salary increase to which they are entitled by virtue of a promotion or additional professional qualifications.

4. Pay an average salary increase to all employees in an amount determined by the difference between 3.8% of Step 3 (base cost) and the combined cost of Steps 6 (fringe benefits), 8 (steps) and 10 (promotions/lanes) and in a manner which does not alter the relationship between steps and lanes in your existing salary structure. The options available for distribution of the general salary increase are a uniform dollar amount increase on each salary cell; or a uniform % increase to each salary cell; or an increase in the base which increases each cell in accordance with the existing salary structure. Use the option which does not alter your existing salary structure as reflected by the existing relationship between steps and lanes.

C. If the combined cost identified by Steps 6 (fringe benefits), 8 (steps) and 10 (promotions/lanes) is 3.8% or less than Step 3 (base cost) and the cost identified by Step 8 (steps) is less than 2.1% of Step 3 (base cost) and the cost of Steps 8 (steps) and 10 (promotions/lanes) is 2.1% of Step 3 (base cost), you must do the following for all employees who are actually represented by the labor organization for the purposes of collective bargaining and contract administration.

1. Maintain all fringe benefits identified on Form B and the district's percentage contribution toward the cost thereof.

2. Pay all eligible employees any salary increase to which they are entitled by virtue of an additional year of service on the salary schedule. Include longevity payments if they are part of the salary schedule.

3. Pay all eligible employees any salary increase to which they are entitled by virtue of a promotion or additional professional qualifications.

D. If the cost identified by Step 6 (fringe benefits) is 1.7% or less than Step 3 (base cost), and the cost identified by Step 8 (steps) is less than 2.1% of Step 3 (base cost) but the cost identified by Steps 8 (steps) and 10 (promotions/lanes) is more than 2.1% of Step 3 (base cost), then you must do the following for all employees who are actually represented by the labor organization for the purposes of collective bargaining and contract administration.

1. Maintain all fringe benefits identified on Form B and the district's percentage contribution toward the cost thereof.

2. Pay all eligible employees any salary increase to which they are entitled by virtue of an additional year of service on the salary schedule. Include longevity payments if they are part of the salary schedule.

3. Calculate the prorated portion of Step 9 (promotions/lanes) which can be funded by 2.1% minus the cost identified in Step 8 (steps). To identify the proration percentage, identify the amount of money available to fund promotions/lanes and divide by the amount of money necessary to fully fund promotions/lanes.

Pay the same prorated salary increase to all eligible employees entitled thereto by virtue of an additional promotion or the additional attainment of professional qualifications. For example, if the foregoing calculation would allow payment of one-half of the Step 9 (promotions/lanes) salary increase to eligible Step 1 employees, you must pay one-half of the salary increase to which your actual employees are entitled by virtue of promotions/additional qualifications during the first 12 months of your offer.

E. If the cost identified by Step 6 (fringe benefits) is 1.7% or less than Step 3 (base cost) and the cost identified by Step 8 (steps) is 2.1% of Step 3 (base cost), you must do the following for all employees who are actually represented by the labor organization for the purposes of collective bargaining and contract administration.

1. Maintain all fringe benefits identified on Form B and the district's percentage contribution toward the cost thereof.

2. Pay all eligible employees any salary increase to which they are entitled by virtue of an additional year of service on the salary schedule. Include longevity payments if they are part of the salary schedule.

F. If the cost identified by Step 8 (steps) is more than 2.1% of Step 3 (base cost) or the combined costs identified by Steps 6 (fringe benefits) and 8 (steps) are more than 3.8% of Step 3 (base cost), then you must do the following for all employees who are actually represented by

the labor organization for the purposes of collective bargaining and contract administration.

1. Maintain all fringe benefits identified on Form B and the district's percentage contribution toward the cost thereof.

2. Calculate the prorated portion of the Step 7 (steps) increase which could be funded by the lesser of:

- a. Step 7 cost (steps) minus the amount by which the Step 7 cost (steps) exceeds 2.1% of Step 3 (base costs).

or

- b. 2.1% of Step 3 (base cost) minus the amount by which the Step 5 cost (fringe benefits) exceeds 1.7% of Step 3 (base cost).

To identify the proration percentage, identify the amount of money available to fund steps and divide by the amount of money necessary to fund a full step for all eligible employees.

Pay the same prorated salary increase to all eligible employees entitled thereto by virtue of an additional year of employment on the salary schedule. Include longevity payments if they are part of the salary schedule. For example, if the foregoing calculation would allow payment of half of the Step 7 (steps) salary increase to eligible Step 1 employees, you must pay one-half of the salary increase to which any of your actual employees are entitled by virtue of an additional year of service on the salary schedule during the first 12 months of your offer.

G. If the cost identified by Step 6 (fringe benefits) is 3.8% of Step 3 (base cost), you must do the following for all employees who are actually represented by the labor organization for the purposes of collective bargaining and contract administration.

1. Maintain all fringe benefits identified on Form B and the district's percentage contribution toward the cost thereof.

H. If the cost identified by Step 6 (fringe benefits) is more than 3.8% of Step 3 (base cost), then you must do the following for all employees who are actually represented by the labor organization for the purposes of collective bargaining and contract administration.

1. Maintain all fringe benefits identified on Form B and the district's percentage contribution toward the cost thereof.

2. You may decrease the salary of all employees in an amount determined by the difference between the cost identified by Step 6 (fringe benefits) and 3.8% of Step 3 (base cost) and in a manner which does not alter the relationship between steps and lanes on your existing salary structure. The options available for distribution of the average salary decrease are a uniform

dollar amount decrease on each salary cell; or a uniform % decrease on each salary cell; or a decrease in the base which decreases each cell in accordance with the existing salary structure.

For the second year or portion thereof, repeat your evaluation of options a-h utilizing the costs identified in steps 13-18 of Form A.

FORM D

Pursuant to s. 111.70 (4) (cm) 8s, Stats., the municipal employer shall file a completed copy of this form with the Wisconsin employment relations commission and the labor organization as soon as possible after the effective date of any collective bargaining agreement covering school district professional employees for any period after June 30, 1993.

Name of school district _____

Name of labor organization _____

Date agreement became effective _____

Period after June 30, 1993 covered by the agreement _____

Total increased percentage salary cost for each
12-month period of the post-June 30, 1993 period 1/ _____

Total increased percentage fringe benefit cost for
each 12-month period of the post-June 30, 1993, period 1/ _____

Dated this _____ day of _____, 199_.

By _____

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ENDNOTES

1/ Calculate these costs using the same method and employees used to complete commission Forms A and B.

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[1999 Order revising QEO Forms and Rules begins on following page]

ORDER OF THE WISCONSIN

EMPLOYMENT RELATIONS COMMISSION

The Wisconsin Employment Relations Commission amends ERC 33.01, 33.03, and 33.05(3); repeals and recreates ERC 33.13(2)(b) and ERC 33, Appendix A, Form C; and creates ERC 33.13(d) relating to school district professional employee collective bargaining agreements and the calculation of a qualified economic offer.

Sections 111.70(4)(cm)8 and 111.71(1), Stats., give the Commission the authority to amend and to repeal and recreate these proposed administrative rules.

ERC 33.01 relates to the scope of administrative rules governing the collective bargaining and interest arbitration processes for school district professional employees and contains language that has become obsolete due to the passage of time. The amendment will remove the obsolete reference to collective bargaining "agreements entered into pursuant to arbitration award as to which the investigation was closed before August 12, 1993." There are no such agreements at the present time and there will not be any such agreements in the future.

ERC 33.03 relates to the content of collective bargaining agreements for school district professional employees and contains language that has become obsolete due to the passage of time and language that conflicts with existing law because of amendments to applicable statutory provisions. The amendment will: (1) remove the obsolete references to collective bargaining agreements expiring on June 30, 1993, 1995 and 1997 and add a general reference to the requirement in s. 111.70(4)(cm)8m.b., Stats., that all school district professional employee collective bargaining agreements shall be for a term of 2 years expiring on June 30 of the odd numbered year; and (2) make the rule consistent with s. 111.70(4)(cm)8p., Stats., by removing the prohibition against agreements which modify the salary schedule structure for school district professional employees.

ERC 33.05(3) relates to voluntary impasse resolution procedures and contains language that has become obsolete and language that is incomplete because of amendments to applicable statutory provisions. The amendments will: (1) remove the obsolete references to "section 9120 of 1993 Wis. Act 16; and (2) make the rule consistent with the requirement in s. 111.70(4)(cm)5, Stats., that an interest arbitrator functioning under a voluntary impasse resolution procedure give weight to the factors enumerated in s. 111.70(4)(cm)7, 7g. and 7r., Stats.

ERC 33.13(2)(b) relates to the specific content of final offers in interest arbitration of school district professional employee contracts and contains language that has become obsolete due to the passage of time. The repeal and recreation will remove the obsolete references to collective bargaining agreements expiring on June 30, 1995, 1997 and 1999 and add a general reference to the requirement in s. 111.70(4)(cm)8m.b., Stats., that all school district professional employee collective bargaining agreements shall be for a term of 2 years expiring on June 30 of the odd numbered year.

ERC 33.13(2)(d) relates to the requirement in s. 111.70(4)(cm)8p., Stats., that the salary

schedule structure for school district professional employees can only be modified by the voluntary agreement of a school district and the union representing the school district's professional employees. ERC 33.13(2)(d) would prohibit a school district or union from seeking to compel the other party to involuntarily modify a salary schedule structure by including such a proposal in an interest arbitration final offer.

The repeal and recreation of ERC 33, Appendix A, Form C is required by 1997 Wisconsin Act 237's amendment to the statutory definition of a qualified economic offer through the creation of s. 111.70(1)(fm), Stats., and the amendment of ss. 111.70(1)(nc)1.b and c., Stats. As recreated, ERC 33, Appendix A, Form C will allow a school district to accurately calculate the level of salary increase, if any, which the district must offer to the labor organization representing the district's professional employees as part of a qualified economic offer. As recreated, ERC 33, Appendix A, Form C implements the statutory requirement that fringe benefit savings be used to fund salary increases as part of a qualified economic offer.

SECTION 1. ERC 33.01 is amended to read:

ERC 33.01 Scope. This chapter governs the procedure relating to collective bargaining and interest arbitration pursuant to s. 111.70(4)(cm), Stats., for collective bargaining agreements entered into on or after August 12, 1993 affecting school district professional employees, ~~except for agreements entered into pursuant to an arbitration award as to which the investigation was closed before August 12, 1993.~~

SECTION 2. ERC 33.03 is amended to read:

ERC 33.03 Content of collective bargaining agreements. ~~A collective bargaining agreement entered into on or after August 12, 1993 which covers any period of time prior to July 1, 1995 shall have an expiration date of June 30, 1995. If compliance with the requirement of a June 30, 1995 expiration date would require that the parties enter into an agreement with a term in excess of 3 years, the agreement shall have an expiration date of June 30, 1993, and any successor agreement shall have an expiration date of June 30, 1995. The successor agreement to a collective bargaining agreement expiring on June 30, 1995 shall have an expiration date of June 30, 1997. A collective bargaining agreement shall have a term of 2 years expiring on June 30 of the odd-numbered year. A collective bargaining agreement may contain provisions to reopen negotiations as to any period of any agreement whose expiration date is consistent with this subsection. A collective bargaining agreement shall not~~

~~alter the salary range structure, number of steps or requirements for attaining a step or assignment of a position to a salary range for any school district professional employees who were assigned to salary ranges with steps that determined the level of progression within each salary range. A collective bargaining agreement may create or modify provisions requiring longevity or other payments which do not alter any existing salary range with steps that determine the level of progression within each salary range.~~

SECTION 3. ERC 33.05(3) is amended to read:

ERC 33.05(3) SCOPE. The provisions of s. 111.70(4)(cm)8m and 8p, Stats., and ~~section 9120 (2xg) of 1993 Wis. Act 16~~ may not be superseded by any provision of a collective bargaining agreement resulting from a voluntary impasse resolution procedure. If the parties agree to any form of binding interest arbitration, the arbitrator shall give weight to the factors enumerated under s. 111.70(4)(cm)7, 7g. and 7r., Stats.

SECTION 4. ERC 33.13(2)(b) is repealed and recreated to read:

ERC 33.13(2)(b) ~~Final offers for any collective bargaining agreement entered into on or after August 12, 1993 which covers any period of time prior to July 1, 1995 shall have an expiration date of June 30, 1995. If compliance with the requirement of a June 30, 1995 expiration date would require that the parties enter into a contract with a term in excess of 3 years, final offers for such an agreement shall have an expiration date of June 30, 1993, and final offers for any successor agreement shall have an expiration date of June 30, 1995. Final offers for the successor agreement to collective bargaining agreements which have an expiration date of June 30, 1995 shall have an expiration date of June 30, 1997.~~ Final offers for any collective bargaining agreement shall have a term of 2 years expiring on June 30 of the odd-numbered year.

SECTION 5. ERC 33.13(2)(d) is created to read:

ERC 33.13(2)(d) Final offers may not contain a proposal to alter the salary range structure, number of steps, or requirements for attaining a step or assignment of a position to a salary range.

SECTION 6. ERC 33, Appendix A, Form C is repealed and recreated to read:

WISCONSIN EMPLOYMENT RELATIONS COMMISSION

QUALIFIED ECONOMIC OFFER INSTRUCTIONS

FORM C

Utilize the following instructions to determine the components of a minimum qualified economic offer.

Note: If payment of any appropriate salary increase would raise your fringe benefit costs (due to resultant social security and retirement cost increases) above 1.7% of Step 3 (base cost), then reduce the salary increase in the amount necessary to keep the combined cost of fringe benefits, steps, lanes/promotions, and average salary increase at 3.8% of Step 3 (base cost).

DEVELOPING A MINIMUM QUALIFIED ECONOMIC OFFER

When calculating any appropriate salary increase or decrease, include any increased or decreased salary cost in extended contracts, co-curricular pay, extra duty pay, etc., which is produced by salary schedule increases or decreases or payment of steps or lanes.

1. Complete Forms A and B.
2. Using the information on Form A, determine how the law requires you to proceed by identifying the cost combination that applies to the first 12-month period of your offer.
 - A. If the combined costs identified by Step 6 (fringe benefits), Step 8 (steps), and Step 10 (promotions/lanes) are less than 3.8% of Step 3 (base cost), then you must do the following for all employees who are actually represented by the labor organization for the purposes of collective bargaining and contract administration:
 1. Maintain all fringe benefits identified on Form B and the district's percentage contribution toward the cost thereof.
 2. Pay all eligible employees any salary increase to which they are entitled by virtue of an additional year of service on the salary schedule. Include longevity payments if they are part of the salary schedule.
 3. Pay all eligible employees any salary increase to which they are entitled by virtue of a promotion or additional professional qualifications.

4. Pay an average salary increase to all employees in an amount determined by the difference between 3.8% of Step 3 (base cost) and the combined cost of Step 6 (fringe benefits), Step 8 (steps) and Step 10 (promotions/lanes) and in a manner which does not alter the relationship between steps and lanes in your existing salary structure. The options available for distribution of the general salary increase are a uniform dollar amount increase on each salary cell; or a uniform % increase to each salary cell; or an increase in the base which increases each cell in accordance with the existing salary structure.

B. If the combined costs identified by Step 6 (fringe benefits), Step 8 (steps) and Step 10 (promotions/lanes) are 3.8% of Step 3 (base cost), then you must do the following for all employees who are actually represented by the labor organization for the purposes of collective bargaining and contract administration:

1. Maintain all fringe benefits identified on Form B and the district's percentage contribution toward the cost thereof.
2. Pay all eligible employees any salary increase to which they are entitled by virtue of an additional year of service on the salary schedule. Include longevity payments if they are part of the salary schedule.
3. Pay all eligible employees any salary increase to which they are entitled by virtue of a promotion or additional professional qualifications.

C. If the combined costs identified by Step 6 (fringe benefits), Step 8 (steps), and Step 10 (promotions/lanes) are more than 3.8% of Step 3 (base cost), but the combined costs of Step 6 (fringe benefits) and Step 8 (steps) are less than 3.8% of Step 3 (base cost), then you must do the following for all employees who are actually represented by the labor organization for the purposes of collective bargaining and contract administration:

1. Maintain all fringe benefits identified on Form B and the district's percentage contribution toward the cost thereof.
2. Pay all eligible employees any salary increase to which they are entitled by virtue of an additional year of service on the salary schedule. Include longevity payments if they are part of the salary schedule.
3. Calculate the prorated portion of Step 9 (promotions/lanes) which can be funded by 3.8% of Step 3 (base cost) minus the cost of Step 5 (fringe benefits) and Step 7 (steps). To identify the proration percentage, identify the amount of money available to fund promotions/lanes and divide by the amount of money necessary to fully fund

promotions/lanes.

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Pay the same prorated salary increase to all eligible employees entitled thereto by virtue of an additional promotion or the additional attainment of professional qualifications. For example, if the foregoing calculation would allow payment of one-half of the Step 9 (promotions/lanes) salary increase to eligible Step 1 employees, you must pay one-half of the salary increase to which your actual employees are entitled by virtue of promotions/additional qualifications during the first 12 months of your offer.

D. If the combined costs identified by Step 6 (fringe benefits) and Step 8 (steps) are 3.8% of Step 3 (base cost), then you must do the following for all employees who are actually represented by the labor organization for the purposes of collective bargaining and contract administration:

1. Maintain all fringe benefits identified on Form B and the district's percentage contribution toward the cost thereof.
2. Pay all eligible employees any salary increase to which they are entitled by virtue of an additional year of service on the salary schedule. Include longevity payments if they are part of the salary schedule.

E. If the combined costs identified by Step 6 (fringe benefits) and Step 8 (steps) are more than 3.8% of Step 3 (base cost), but the cost of Step 6 (fringe benefits) is less than 3.8% of Step 3 (base cost), then you must do the following for all employees who are actually represented by the labor organization for the purposes of collective bargaining and contract administration:

1. Maintain all fringe benefits identified on Form B and the district's percentage contribution toward the cost thereof.
2. Calculate the prorated portion of Step 7 (steps) which can be funded by 3.8% of Step 3 (base cost) minus the cost identified by Step 5 (fringe benefits). To identify the proration percentage, identify the amount of money available to fund steps and divide by the amount of money necessary to fully fund steps.

Pay the same prorated salary increase to all eligible employees entitled thereto by virtue of an additional year of employment on the salary schedule. Include longevity payments if they are part of the salary schedule. For example, if the foregoing calculation would allow payment of half of the Step 7 (steps) salary increase to eligible Step 1 employees, you must pay one-half of the salary increase to which any

of your actual employees are entitled by virtue of an additional year of service on the salary schedule during the first 12 months of your offer.

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F. If the cost identified by Step 6 (fringe benefits) is 3.8% of Step 3 (base cost), then you must do the following for all employees who are actually represented by the labor organization for the purposes of collective bargaining and contract administration:

1. Maintain all fringe benefits identified on Form B and the district's percentage contribution toward the cost thereof.

G. If the cost identified by Step 6 (fringe benefits) is more than 3.8% of Step 3 (base cost), then you must do the following for all employees who are actually represented by the labor organization for the purposes of collective bargaining and contract administration:

1. Maintain all fringe benefits identified on Form B and the district's percentage contribution toward the cost thereof.
2. You may decrease the salary of all employees in an amount determined by the difference between the cost identified by Step 6 (fringe benefits) and 3.8% of Step 3 (base cost) and in a manner which does not alter the relationship between steps and lanes on your existing salary structure. The options available for distribution of the average salary decrease are a uniform dollar amount decrease on each salary cell; or a uniform % decrease on each salary cell; or a decrease in the base which decreases each cell in accordance with the existing salary structure.

For the second year or portion thereof, repeat your evaluation of options A-G utilizing the costs identified in Steps 13-18 of Form A.

These rules shall take effect on the first day of the month following publication in the Wisconsin administrative register as provided in s. 227.22(2), (intro.), Stats.

Adopted at Madison, Wisconsin this 14th day of December, 1999.

WISCONSIN EMPLOYMENT RELATIONS COMMISSION

James R. Meier, Chairperson

A. Henry Hempe, Commissioner

Paul A. Hahn, Commissioner

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